GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:296
ANSWERED ON:10.08.2001
IDBI AND IFCI S AMOUNT INVOLVED IN THE INVOKED GUARANTEES
SULTAN SALAHUDDIN OWAISI

Will the Minister of FINANCE be pleased to state:

(a) whether a huge amount of IDBI and IFCI Limited have been involved in Central Government and State Government guarantees already invoked but not honoured;

(b) if so, the details thereof and the number of such cases;

(c) whether this step of Union and State Government have an adverse impact on the profitability of domestic financial institutions; and

(d) if so, the steps taken or being taken by the Union Government for realising the amount involved in the invoked guarantees?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (d): A Statement is laid on the Table of the House.

(a) & (b): As on 31st March, 2001 IDBI invoked guarantees in respect of 57 cases involving an amount of Rs.213.6 crore whereas IFCI invoked guarantees in respect of 64 cases involving Rs.320.84 crores. All these cases except one relates to State Government guarantees.

(c): Yes, Sir

(d): IDBI has issued letters to various State Governments giving detail of loans where State Government have issued guarantees and are in default to IDBI to negotiate for One Time Settlement (OTS) in order to reduce NPAs. IFCI have also initiated legal proceedings to recover dues from State Government where they have guaranteed the loans.